

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

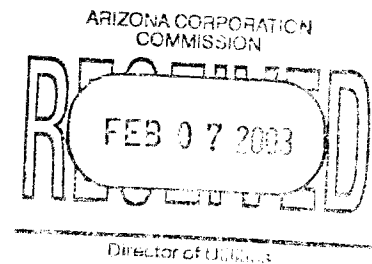
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W-02502A
Flagstaff Ranch Water Company, Inc
P. O. Box 10775
Phoenix AZ 85064

ANNUAL REPORT

FOR YEAR ENDING

12	31	2002
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FOR COMMISSION USE

W-04	02
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12 FEB 2003

COMPANY INFORMATION

Company Name (Business Name) Flagstaff Ranch Water Co., Inc.

Mailing Address P. O. Box 10775

(Street)
Phoenix,

AZ

85064

(City)

(State)

(Zip)

602 954 0321

602 957 3159

602 717 5212

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address none

Local Office Mailing Address P. O. Box 10775

(Street)
Phoenix,

AZ

85064

(City)

(State)

(Zip)

as above

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: Herbert Dreiseszun

Sec/Trea

(Name)

(Title)

P. O. Box 10775

Phoenix,

AZ

85064

(Street)

(City)

(State)

(Zip)

same as above

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

On Site Manager: Patrick Vinson

(Name)

4888 E. Half Monn

Flagstaff,

AZ

86004

(Street)

(City)

(State)

(Zip)

928 527 8603

none

928 556 6147 pager

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address none

Statutory Agent: Herbert Dreiseszun

(Name)

5045 No. 12th St. #110

(Street)

Phoenix,

(City)

AZ

(State)

85014

(Zip)

602 954 0321

Telephone No. (Include Area Code)

602 957 3159

Fax No. (Include Area Code)

602 717 5212

Pager/Cell No. (Include Area Code)

Attorney: William Sullivan

(Name)

2712 No. 7th Street

(Street)

Phoenix,

(City)

AZ

(State)

85006

(Zip)

602 248 0372

Telephone No. (Include Area Code)

602 266 8290

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☒ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

COMPANY NAME

Flagstaff Ranch Water Co. Inc.

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises	75102		
303	Land and Land Rights			
304	Structures and Improvements	80252		
307	Wells and Springs			
311	Pumping Equipment	69409		
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	262809		
331	Transmission and Distribution Mains	430522		
333	Services			
334	Meters and Meter Installations			
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	908094	646576	261518

This amount goes on the Balance Sheet Acct. No. 108



CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises	75102		
303	Land and Land Rights			
304	Structures and Improvements	80252		
307	Wells and Springs			
311	Pumping Equipment	69409		
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	262409		
331	Transmission and Distribution Mains	430522		
333	Services			
334	Meters and Meter Installations			
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	908094		51868

This amount goes on Comparative Statement of Income and Expense _____
Acct. No. 403.

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 15220	\$ 46944
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 15220	\$ 46944
	FIXED ASSETS		
101	Utility Plant in Service	\$ 832992	\$ 832992
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	597708	649576
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 234584	\$ 183416
	TOTAL ASSETS	\$ 249804	\$ 230360

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$	\$
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 121413	\$ 141458
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$	\$
	TOTAL LIABILITIES	\$ 121413	\$ 141458
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 917172	\$ 917172
211	Paid in Capital in Excess of Par Value/Loss 2002	61719	40140
215	Retained Earnings	726412	788130
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 129041	\$ 88902
	TOTAL LIABILITIES AND CAPITAL	\$ 250454	\$ 230360

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 39638	\$ 86379
460	Unmetered Water Revenue	11750	
474	Other Water Revenues		
	TOTAL REVENUES	\$ 51388	\$ 86379
	OPERATING EXPENSES		
601	Salaries and Wages /management fees	\$ 25040	\$ 38838
610	Purchased Water		
615	Purchased Power	12079	18154
618	Chemicals		
620	Repairs and Maintenance	12828	8518
621	Office Supplies and Expense		
630	Outside Services		
635	Water Testing	461	1073
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability	3009	2443
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense		
403	Depreciation Expense	51868	51868
408	Taxes Other Than Income		
408.11	Property Taxes	4409	3709
409	Income Tax	50	45
	TOTAL OPERATING EXPENSES	\$111720	\$ 126519
	OPERATING INCOME/(LOSS)	\$	\$
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$	\$
	NET INCOME/(LOSS)	\$ (61719)	\$ (40140)

COMPANY NAME Flagstaff Ranch Water Co., Inc.

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate				
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End \$ _____

Meter Deposits Refunded During the Test Year \$ _____

Loan to corporation from stockholders to cover operating losses and maintain liquidity. Total loans since 1994 \$141458.

COMPANY NAME Flagstaff Ranch Water Co., Inc.

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-509021	60	60	1600	12	1	1984

- Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
none		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
none			

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
595000	1	595000	1

COMPANY NAME Flagstaff Ranch Water Co., Inc.

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4		
5		
6		
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	
3/4	70
1	2
1 1/2	2
2	
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

STRUCTURES:

OTHER:

COMPANY NAME: Flagstaff Ranch Water Co., Inc.

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2002

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	57	396,560	633
FEBRUARY	57	389,410	571
MARCH	59	396,560	890
APRIL	60	528,744	462
MAY	62	2,363,010	2,517
JUNE	65	2,147,980	2,157
JULY	65	1,780,440	1,259
AUGUST	65	1,595,370	1,419
SEPTEMBER	65	1,300,442	1,259
OCTOBER	63	1,653,850	1,437
NOVEMBER	63	855,220	762
DECEMBER	62	363,620	474
TOTAL		N/A	13,840

13,743,906

Is the Water Utility located in an ADWR Active Management Area (AMA)?

() Yes (x) No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes (x) No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. _____ 28 _____ mg/l

(If more than one well, please list each separately)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME Flagstaff Ranch Water Co., Inc. YEAR ENDING 12/31/2002

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2002 was: \$ 3709

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____



Northern Trust Bank
FLAGSTAFF RANCH WATER CO INC

FLAGSTAFF RANCH WATER CO., INC. P. O. BOX 10775, 936-90-100 PHOENIX, AZ 85064		116-58-222 116-58-221 1413 116-58-223 936-90-100 116-58-224
DATE 10/16/02		11-27/02
PAY TO THE ORDER OF	Coconino County Treasurer	\$ 1510.28
One thousand five hundred ten and 28/100-----DOLLARS		
Northern Trust Bank of Arizona, N.A. 330 S. Central Bank Plaza, Phoenix, AZ 85016		
FOR	#001113#-1122105210# 1111034822# 0000151028#	

11/15/02 1413 1,510.28



Northern Trust Bank
FLAGSTAFF RANCH WATER CO INC

FLAGSTAFF RANCH WATER CO., INC. P. O. BOX 10775, 936-90-100 PHOENIX, AZ 85064		936-90-100 1367
DATE 5/11/02		11-27/02
PAY TO THE ORDER OF	Coconino County Treasurer	\$ 2198.94
Two thousand one hundred ninety-eight and 94/100-----DOLLARS		
Northern Trust Bank of Arizona, N.A. 330 S. Central Bank Plaza, Phoenix, AZ 85016		
FOR	#001367#-1122105210# 1111034822# 0000219894#	

5/01/02 1367 2,198.94

COMPANY NAME Flagstaff Ranch Water Co., Inc.

YEAR ENDING 12/31/2002

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>-0-</u>
Estimated or Actual Federal Tax Liability	<u>-0-</u>

State Taxable Income Reported	<u>-0-</u>
Estimated or Actual State Tax Liability	<u>-0-</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>-0-</u>
Amount of Gross-Up Tax Collected	<u>-0-</u>
Total Grossed-Up Contributions/Advances	<u>-0-</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

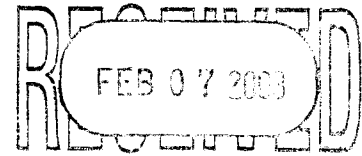
SIGNATURE2/4/03
DATE

Herbert Dreiseszun
PRINTED NAME

Sec/Trea
TITLE

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

ARIZONA CORPORATION
COMMISSION



VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) Maricopa	
NAME (OWNER OR OFFICIAL) Herbert Dreiseszun	TITLE Sec/Trea
COMPANY NAME Flagstaff Ranch Water Co., Inc.	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2002

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

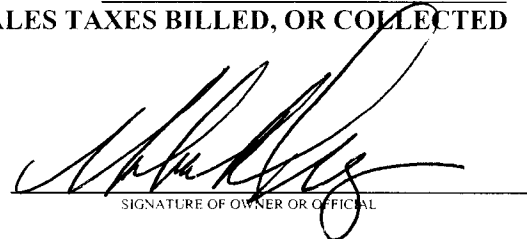
SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2002 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ 86379

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 510
IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.


SIGNATURE OF OWNER OR OFFICIAL

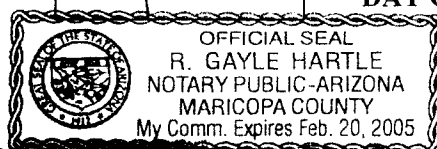
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 4th DAY OF

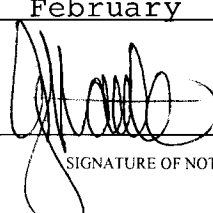
(SEAL)

MY COMMISSION EXPIRES

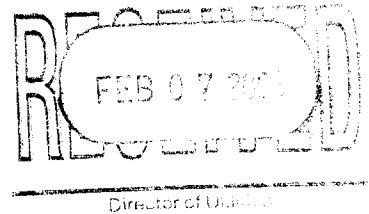


NOTARY PUBLIC NAME R. Gayle Hartle	
COUNTY NAME Maricopa	
MONTH February	20 03

X


SIGNATURE OF NOTARY PUBLIC

VERIFICATION AND SWORN STATEMENT Intrastate Revenues Only



VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	Maricopa
NAME (OWNER OR OFFICIAL) TITLE	Herbert Dreiseszun, Sec/Trea
COMPANY NAME	Flagstaff Ranch Water Co., Inc.

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2002

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

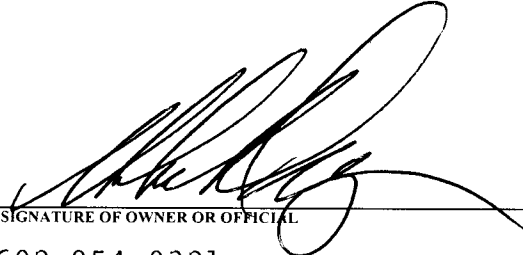
IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2002 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 86379

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 510
IN SALES TAXES BILLED, OR COLLECTED

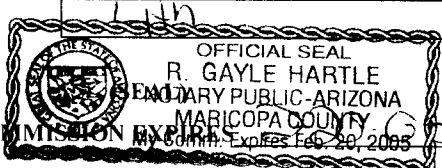
**REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)


SIGNATURE OF OWNER OR OFFICIAL
602 954 0321
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS



DAY OF

COUNTY NAME	Maricopa
MONTH	February 20 2003


SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES FEB 20, 2005